

MINUTES

KEY WEST BIGHT MANAGEMENT DISTRICT BOARD MEETING

OLD CITY HALL, 510 GREENE STREET

NOVEMBER 9, 2011

A regular meeting of the Key West Bight Management District Board of the City of Key West, Florida, was held in Commission Chambers, Old City Hall, 510 Greene Street, on Wednesday, November 9, 2011.

The Chairman called the meeting to order at 9:05 a.m.

Answering roll call were Board Members Jermy Ashby, Paul McGrail, Kathryn Ovide, Dan Probert and Chairman Michael Knowles presiding.

Board Members Jimmy Lane and Michael Wilson were absent

Also present were Assistant City Attorney Ron Ramsingh, Key West Bight Marine Manager Mark Tait, Port Operations Manager John Castro, Senior Property Manager Marilyn Wilbarger and Clerk of the Board Sue Harrison.

Others in attendance were Senior Project Manager Doug Bradshaw, Engineer Birchard Ohlinger and Jack Anderson from the Tenants Association.

The pledge of allegiance to the flag of the United States of America was given by all present.

CHANGES TO THE AGENDA:

Ms. Wilbarger stated she had received a request to add a discussion item to the agenda regarding rental rate increases and late fees.

It was moved by Ms. Ovide and seconded by Mr. Ashby to approve the agenda with the added discussion item as requested.

The Chairman asked for objections and seeing none, the agenda was accepted as changed.

APPROVAL OF MINUTES:

October 12, 2011 (Regular)

It was moved by Mr. McGrail and seconded by Mr. Ashby to approve the minutes of October 12, 2011. There were no objections.

Mr. Probert commented that he objected to not having anything about what the discussion items are in relation to the "Public Comment" item in the minutes. He said there was a list of three people who spoke and there was nothing to designate the topic of comment. He wanted to see some information related to what their comments were.

The Clerk would include additional information as to the topic after the speaker's name under the Public Comments section of the minutes.

Ms. Ovide stated she lists those things to be followed up on during the meetings and would like to see those items in the minutes. The Chairman agreed and asked Ms. Ovide what items at this meeting she would like. Ms. Ovide said there was to be a report on the remaining balance in the Common Area Improvement Budget; they did have the revenue report on dock availability from Mr. Tait and the report on the parking lot. Ms. Wilbarger said the report was in this agenda. Ms. Ovide said she did not see anything about the presentation to the Tenants on the Key West Seaport.com.

ACTION ITEMS:

Piano Shop Lease Renewal

Ms. Wilbarger said this is a five year renewal for the Caroline Street music store. The tenant wanted to incorporate health food items into the store along with the instruments and other items he has in the store. She said the current rate was extended for one year due to the fact that the building floods every time they have a serious rain. The lower rate reflects the condition of the building he is

in. In the future the building is slated for a capital project and they intended to flood proof it and this problem will be corrected.

It was moved by Ms. Ovide and seconded by Mr. Probert to approve the item as presented.

The Chairman asked the Clerk to call the roll.

Yeas: Board Members Ashby, McGrail, Ovide, Probert and Chairman Knowles

Nays: None

Sails in Concert, Inc. Lease Renewal

Ms. Wilbarger presented the item. This is the recording studio on Lazy Way Lane that has seen a long time tenant. The lease renewal is with a 5% increase and is for five years continuing on as currently structured, no change of use and it is used infrequently. The building is in good repair as the tenant takes great care of the building.

It was moved by Mr. Ashby and seconded by Mr. McGrail to approve the item as presented.

The Chairman asked the Clerk to call the roll.

Yeas: Board Members Ashby, McGrail, Ovide, Probert and Chairman Knowles

Nays: None

Approving a Portion of Task Order #1-12 PORTS to CH2M Hill in the amount of \$48,709.00 to provide Geotechnical Exploration Studies at two locations within the Key West Bight.

Ms. Wilbarger stated Mr. Castro would present the item and Mr. Bradshaw and Mr. Ohlinger from the Engineering Department were here to answer any questions. This item was in reference to the beginning requirements to expand the dock pursuant to the submerged land lease on Trumbo Road.

Mr. Castro provided information regarding the project. This was to do soil borings for the Trumbo Pier and Ferry Terminal Pier extension. He said these tests were necessary and this is a

budgeted item.

Mr. Ohlinger stated this is one part of a package of geotechnical studies they are doing in the area. There is a significant mobilization of the barge to coordinate the whole project. The studies would be good for an indefinite period of time.

It was moved by Ms. Ovide and seconded by Mr. Probert to approve the item as presented.

The Chairman asked the Clerk to call the roll.

Yeas: Board Members Ashby, McGrail, Ovide, Probert and Chairman Knowles

Nays: None

DISCUSSION:

Premier Racing

Mr. Tait reported on the revenues and the comparison from previous year's race weeks from 2008 to 2011 that had been provided in their packets.

Chairman Knowles believed they could come to a compromise and be fair to both parties and to reduce the rate to 50% of what was paid per slip last year.

Comments from the public were from the following:

Richard Tallmadge, 1700 Jamaica, gave some historical perspective to the rental slips for the support boats for the event.

Chairman Knowles stated he would like to see the same kind of working relationship with Premier Racing as they have with the Super Boats that were racing in town that week.

Mr. Tait said he would give Mr. Tallmadge the information that he needed to take back to the racing organizers.

Ms. Wilbarger said this is the last year of the five-year agreement that they have operated under. Since they elected to move the event from the Historic Seaport at the Key West Bight last year they did the first amendment and this would be the second amendment to the present agreement. They would start over (with a new agreement) based upon the event not being held at the Bight.

Mr. Tallmadge would report back to the Board on the notification to the perspective slip tenants regarding reservations. Chairman Knowles asked that Mr. Tait and / or Ms. Wilbarger be copied on the emails or information that he receives regarding this information.

Chairman Knowles asked that this item come back before the Board at the next meeting as an action item for approval. For clarification it was asked if the parties come to an agreement on the charges would be it be 50% of \$3.50 per foot or 50% of the \$3.00 they got last year. Mr. Knowles said it would be for 50% of the \$3.50 rate per foot.

Signage Standard at Key West Bight

Ms. Wilbarger said this is something they are working on in conjunction with the Common Area Improvement Plan and is specific to the commercial marina tenants. This is what is presented to HARC and they intend to implement it as a policy at the Key West Bight to standardize the size of the signs. Each sign would need HARC approval as to content. Each commercial tenant would have two signs, one to hang perpendicular over the water and one vertical sign. This is a new policy that has been worked on with HARC and Mr. Ingram and they were ready for implementation. At Mr. Probert's request the information would be provided to the tenants in written form.

Ms. Wilbarger said the signage standards is written in the rules and regulations and will be included in the commercial leases for tenants.

Rental Increases and Late Fees

Ms. Wilbarger addressed the issue on increases to rents and late fees. This was information further to the report on the market rent study. She stated they were within market rents. She had received suggestions to increase by 5% annual fixed increase in the base rent and to go to a CPI 3% minimum increase and a graduated late fee based upon the length of time the tenant is delinquent.

Ms. Ovide requested this item be brought back at the next meeting for discussion when all members of the Board were present.

REPORTS:

Manager's Report

Ms. Wilbarger stated they had added a new parking revenue page at the end of the Manager's Report. They would add a chart for parking information that would reflect budget to actual current month, year-to-date and year over year on the chart with this new information.

Accounts Receivable Report

Ms. Wilbarger reported on the settlement agreement with Turtle Kraals. B.O.'s Fishwagon was behind in rent but was continuing to make payments. The receivables were in good shape.

Tenants Association Report

Mr. Anderson from the Tenant's Association reported that Mr. Castro had attended their last meeting and reported on the website for the members. They would be evaluating the site and provide ideas to make it better. He suggested it be linked to the City's web-page. Mr. Castro had also updated the members on construction of the dock planking. Mr. Anderson said they welcomed the expansion of the scooter and bicycle parking in the Lazy Way area. He asked about the brewery-waterfront market project.

Ms. Wilbarger stated the project is scheduled for the HARC meeting at the end of this month, DRC next month and hopefully to the City Commission for lease approval in January.

Ms. Ovide asked about their presentation to the Board. Ms. Wilbarger stated they need to make sure the project is doable before they bring it to this Board for consideration.

OLD BUSINESS:

Ms. Ovide asked for a report on the balance remaining in the common area improvement plan. Mr. Castro would provide that at the next meeting.

Mr. Tait reported on the Butler Act Disclaimer, they had received credit toward the next year's bill.

Mr. Probert asked about the Land Lease not being approved by the City Commission. Ms. Wilbarger stated the item had been postponed to the next City Commission Meeting. There would be a Memorandum of Understanding with the City and the Navy regarding six-feet of land at the ramp. This would be corrected with the next renewal.

PUBLIC COMMENTS:

Margaret Russell Ciardi, 815 Sawyer Lane, representing the Key West Bight Neighborhood Association, expressed her concerns about the brewery project and the possibility of additional noise from roof-top seating.

Ms. Ovide asked about noise buffers. Ms. Wilbarger said nothing has been finalized.

Ms. Ovide added there is a special event request that would be considered by the City Commission at their next meeting for November 26, 2011 for amplified music at Turtle Kraals where Howard Livingston would be performing. The event was for charity sponsored by Mayor Cates.

BOARD COMMENTS:

Chairman Knowles reported he had been working with Marilyn and Mark on how to maximize revenue. He said in order to maximize the revenue of the Bight they were looking at pricing and rate strategies. He welcomed any input from the Board. This would probably take about a year as the pricing strategy would be based on history. Mr. Tait would be gathering history for them come December.

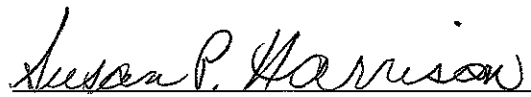
Ms. Wilbarger reminded everyone the Bight would be decorated for the holidays. She had taken over the program with Mr. Castro and Mr. Tait. They would be embracing the maritime history with decorating three trees with lobster buoys, lobster traps and lights. The new harbor walk of lights would be different as they are installing underwater lights that will light up the whole harbor walk with Christmas colors. They have the ability to change the lights to 16 different colors that would be used all year long.

Mr. Probert asked about the city facilities in the ferry terminal. He asked if they paid rent. Ms. Wilbarger said the Marine Patrol and the Citizen Review Board are occupying offices in the ferry terminal. She said they are not part of the enterprise fund and are not paying rent. She had brought this to the City Manager's attention. Mr. Probert requested that she get an answer from the City Manager. Ms. Wilbarger would pursue this and get either a lease or temporary occupancy agreement in place.

Chairman Knowles wished everyone a Happy Thanksgiving.

ADJOURNMENT:

There being no further business the Chairman adjourned the meeting at 10:09 a.m.


Susan P. Harrison, CMC, Clerk of the Board
Senior Deputy City Clerk